Florida Fluid Milk Report

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Upper Florida Marketing Area
Federal Order No. 6
Tampa Bay Marketing Area
Federal Order No. 12
Southeastern Florida Marketing Area
Federal Order No. 13

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November 1981

Market Summary

UPPER FLORIDA

Receipts of producer milk at pool plants regulated under Federal Order No. 6 during October 1981 totaled 39.3 million pounds.

During October , 38.2 million pounds, or 97.30 percent of producer milk was classified as Class I.

Comparisons with the previous month and year are not being made because there have been frequent plant shifts between Federal Order 6 and 12 which have distorted individual market statistics.

The uniform price to producers during the month was $15.27 per hundredweight -- up 8 cents from September and 70 cents above October 1980.

TAMPA BAY

Producers delivered 78.1 million pounds of milk to pool plants regulated under Federal Order No. 12 during October 1981.

Producer milk classified as Class I milk, as used in the computation of the uniform price to producers, totaled 74.4 million pounds.

Class I milk was 95.26 percent of the total producer milk.

Comparisons with the previous month and year are not being made because there have been frequent plant shifts between Federal Orders 6 and 12 which have distorted individual market statistics.

The uniform price per hundredweight for October milk was $15.30, an increase of 5 cents from the previous month and 67 cents above October of last year. (Continued on page 6)

Program News

DAIRY OUTLOOK

Every fall the Department of Agriculture holds its annual outlook conference which brings together government, industry and university experts to evaluate and discuss the outlook for the nation's major agricultural commodities. This year's outlook conference was held during the week of November 2 at Washington, D. C. The outlook for the dairy industry was made somewhat more difficult because Congress had not completed work on the price support provisions of the four-year farm bill. However, for the purposes of the USDA outlook it was assumed that there would be no change in price support levels during the current marketing year (October 1981 through September 1982).

A brief summary of the dairy outlook follows.

MILK PRODUCTION

During 1981 milk production will average about three percent above the record high level achieved in 1980. However, with price supports remaining unchanged during 1982, the production expansion should end during the next year. Production gains during the first-half of the year will likely be offset by somewhat lower production during the last-half of the year.

FEED PRICES

Feed prices declined this summer. This decline, coupled with fairly stable farm milk prices, led to some improvement in the milk-feed price ratio.

With record crops currently being harvested, feed prices (Continued on page 7)

Computation of the Uniform Prices for Producer Milk

October 1981

	Order 6		Order 12		Order 13	
	% OF TOTAL	PRODUCT POUNDS	%OF TOTAL	PRODUCT POUNDS	% OF TOTAL	PRODUCT POUNDS
CLASS I MILK	97.30	38,231,376	95.26	74,431,988	95.35	57,864,465
CLASS II MILK	2.70	1,061,758	4.74	3,705,340	4.65	2,821,755
CLASS III MILK					0.00	2,834
TOTAL PRODUCER MILK	100.00	39,293,134	100.00	78,137,328	100.00	60,689,054
OTHER SOURCE MILK		178,576		-		-
TOTAL MILK		39,471,710		78,137,328		60,689,054
		Value		**Value**		**Value**
CLASS I MILK		$5,857,046.80		$11,477,412.55		$9,038,429.43
CLASS II MILK		134,524.74		469,466.58		357,516.36
CLASS III MILK						190.73
TOTAL		$5,991,571.54		$11,946,879.13		$9,396,136.52
ADJUSTMENTS:						
HANDLERS' LOCATION ADJ.		5,110.49		(3,127.51)		(55,968.68)
OVERAGE		801.47		-		-
BULK INVENTORY		5,809.51		16,913.78		4,960.55
PACKAGED INVENTORY		(1,460.74)		(3,798.10)		(2,375.91)
OTHER SOURCE RECEIPTS		27,357.84		-		-
TOTAL VALUE TO HANDLERS		$6,029,190.11		$11,956,867.30		$9,342,752.48
LOCATION ADJUSTMENTS		(5,457.45)		3,332.14		64,174.34
FROM PRODUCER SETTLEMENT FUND		22,051.95		32,057.25		22,659.92
TOTAL VALUE OF MILK		$6,045,784.61		$11,992,256.69		$9,429,586.74
RESERVE		(18,454.49)		(37,245.51)		(28,852.27)
VALUE AT UNIFORM PRICE		$6,027,330.12		$11,955,011.18		$9,400,734.47
UNIFORM PRICE		$ 15.27*		$ 15.30		$ 15.49
BUTTERFAT DIFF'L		$ 0.173		$ 0.173		$ 0.173
AVERAGE BUTTERFAT TEST		3.5159%		3.5033%		3.5021%

* 10 cents higher at plants located in or south of Flagler, Levy, Marion or Volusia Counties.

U.S. Milk Production and Prices

OCTOBER MILK PRODUCTION 3 PERCENT ABOVE LAST YEAR

Milk production during October totaled 10.7 billion pounds, (4.87 million metric tons), 3 percent more than October 1980.

Accumulated milk production for the first 10 months of 1981 was 111 billion pounds, (50.5 million metric tons), compared with 108 billion pounds, (48.9 million metric tons), during the same period in 1980.

Production per cow averaged 981 pounds, 18 pounds above October a year earlier and 45 pounds more than October 1979.

Total milk cows averaged 10.9 million head, 1 percent more than a year ago and 2 percent above October 1979.

Reprinted from "MILK PRODUCTION", Crop Reporting Board, USDA, November 13, 1981.

DAIRY PRODUCTS OCTOBER 1981*

BUTTER

September butter production was 86.3 million pounds -- 12% more than last year.

AMERICAN CHEESE

Production during September totaled 188 million pounds, 7% below last month but 5% above a year earlier.

TOTAL CHEESE OUTPUT

Excluding cottage cheese, production was 325 million pounds, up 2% from the previous year, but 2% below the previous month.

OTHER PRODUCTS

Following are changes in September production compared to a year ago:

CREAMED COTTAGE CHEESE	- down 7%
LOWFAT COTTAGE CHEESE	- up 4%
ICE CREAM	- up 1%
ICE MILK	- down 4%
SHERBET	- down 3%
DRY WHOLE MILK	- up 33%
DRY BUTTERMILK	- up 19%
NONFAT DRY MILK (human use)	- up 22%

* Reprinted from "DAIRY PRODUCTS", Crop Reporting Board, USDA, November 2, 1981.

PRICES RECEIVED INDEX DOWN 5 POINTS PRICES PAID INDEX UNCHANGED

The October Index of Prices Received by Farmers decreased 5 points (3.7 percent) from September to 129 percent of its January - December 1977 average, according to the Crop Reporting Board. Contributing most to the decrease since September were lower prices fo cattle, hogs, potatoes, corn and oranges. Higher prices for cotton milk and grapefruit were partially offsetting. The Index was 13 points (9.2 percent) below a year ago.

The Index of Prices Paid by Farmers for Commodities and Services, Interest, Taxes and Farm Wage Rates for October was unchanged from September at 151 percent of its 1977 base. Lower prices for replacement livestock, feed and fertilizers were offset by sharply higher family living costs. Compared to a year earlier, the Index was up 9 points (6.3 percent).

The Ratio of Index of Prices Received to the Index of Prices Paid, Including Interest, Taxes, and Farm Wage Rates was 85 for the month of October 1981. The Ratio was down 4 points from the previous month and down 15 points from the same period a year ago.

OCTOBER MILK-FEED PRICE RATIO *	1981	1980
United States	$ 1.53	$ 1.42
Florida	$ 1.95	$ 1.65

* 16 percent dairy feed.

Reprinted from "AGRICULTURAL PRICES", issued October 30, 1981, by the Crop Reporting Board, U. S. D. A.

Producer Prices in Selected Federal Order Markets

(dollars per cwt. for 3.5 milk)

Market	Class I Prices		Uniform Prices 1/
	NOVEMBER	OCTOBER	OCTOBER
Tennessee Valley	$ 14.56	$ 14.57	$ 14.15
Louisville	14.16	14.17	13.70
Chicago Regional	13.72	13.73	13.04
Georgia	14.76	14.77	14.42
Memphis	14.40	14.41	14.21
Nashville	14.31	14.32	13.83
New Orleans-Mississippi	15.31	15.32	14.91
Tampa Bay	15.41	15.42	15.30
Southeastern Florida	15.61	15.62	15.49
Upper Florida	15.31	15.32	15.27

1/ Or weighted average of base and excess prices.

Disposition of Packaged Class I Milk Inside

Southeastern Florida Order No. 13

	OCTOBER 1981 (Pounds)	OCTOBER 1981 (B.F. Lbs.)	OCTOBER 1980 (Pounds)	OCTOBER 1980 (B.F. Lbs.)	OC (Pounds
Packaged Class I Milk					
Whole Milk	43,794,329	1,472,528	42,927,323	1,446,593	34,533,2
Skim Milk and Lowfat Milk	18,654,162	239,850	18,528,369	246,684	14,666,1
Flavored Milk and Drinks	2,746,432	58,809	3,259,029	67,245	3,607,4
Buttermilk	646,616	8,548	642,743	8,129	1,026,0
TOTAL DISPOSITION IN AREA	65,841,539	1,779,735	65,357,464	1,768,651	53,832,8
Milk Receipts					
Producer Receipts	60,689,054	2,125,419	58,890,767	2,028,429	78,137,3
Other Source Milk - Bulk	3,224,330	118,679	11,233,850	410,897	6,293,4
Other Milk Products (1)	1,383,430	60,531	1,675,407	44,163	3,472,1
Inventory and Overage	5,587,457	207,559	4,495,598	174,224	9,315,1
TOTAL RECEIPTS	70,884,271	2,512,188	76,295,622	2,657,713	97,218,1
Class I Utilization					
Packaged Disposition	60,061,557	1,641,944	65,324,993	1,765,512	80,783,2
Transfers and Diversions	511,459	9,261	-	-	42,0
Closing Inventory and Shrinkage	3,528,328	101,801	3,907,565	122,849	4,658,1
TOTAL CLASS I MILK	64,101,344	1,753,006	69,232,558	1,888,361	85,483,5
Less: Other Source Milk	2,976,333	85,248	10,460,651	299,352	5,810,3
Less: Inventory and Overages	3,260,546	82,173	3,913,461	102,893	5,241,1
PRODUCER MILK IN CLASS I	57,864,465	1,585,585	54,858,446	1,486,116	74,431,9
% Producer Milk in Class I	95.35%		93.15%		
Class II Utilization					
Packaged Disposition	1,113,188	134,671	1,049,566	125,961	772,4
Other Class II Uses	2,696,088	130,737	3,018,141	138,051	6,096,8
Transfers and Diversions	1,180,313	377,187	1,154,491	418,568	1,616,4
Closing Inventory and Shrinkage	1,754,278	116,587	1,840,866	86,772	3,248,7
TOTAL CLASS II MILK	6,743,867	759,182	7,063,064	769,352	11,734,5
Less: Other Source Milk	1,595,201	93,962	2,448,606	155,708	3,955,2
Less: Inventory and Overages	2,326,911	125,386	582,137	71,331	4,073,9
PRODUCER MILK IN CLASS II	2,821,755	539,834	4,032,321	542,313	3,705,3
% Producer Milk in Class II	4.65%		6.85%		
PRODUCER MILK IN CLASS III (2)	2,834	-	-	-	-
% Producer Milk in Class III (2)	-		-		
Total Producer Milk	60,689,054	2,125,419	58,890,767	2,028,429	78,137,3
AVERAGE BUTTERFAT TEST	3.50%		3.44%		

(1) Includes packaged milk and cream, bulk cream, skim equivalent of powder and items other than milk used in manufacturing.
(2) Order No. 13, only.

ide the Marketing Area By All Handlers

Tampa Bay Order No. 12

BER 1981 (B.F. Lbs.)	OCTOBER 1980 (Pounds)	OCTOBER 1980 (B.F. Lbs.)
1,125,846	31,484,874	1,032,453
155,616	13,798,554	150,568
37,126	5,447,313	95,469
14,986	960,539	11,138
1,333,574	51,691,280	1,289,628

Upper Florida Order No. 6

OCTOBER 1981 (Pounds)	OCTOBER 1981 (B.F. Lbs.)	OCTOBER 1980 (Pounds)	OCTOBER 1980 (B.F. Lbs.)
38,336,608	1,255,624	38,136,216	1,255,650
14,306,654	161,686	12,949,161	157,517
3,985,487	53,783	4,136,785	62,804
1,204,065	8,520	1,110,837	7,287
57,832,814	1,479,613	56,332,999	1,483,258

Utilization of Milk by Pool Plants

2,737,398	47,664,034	1,674,187	39,293,134	1,381,493	61,586,501	2,165,044
231,394	8,987,250	326,711	912,610	33,561	3,599,460	131,306
182,513	2,503,811	172,320	4,008,660	97,369	4,256,167	137,520
337,912	3,763,701	142,603	4,441,805	191,072	6,870,129	232,892
3,489,217	62,918,796	2,315,821	48,656,209	1,703,495	76,312,257	2,666,762
1,997,817	51,216,563	1,273,705	36,969,346	964,686	57,539,431	1,521,352
950	-	-	2,168,570	59,383	3,836,891	102,619
136,780	3,062,334	86,540	2,177,336	64,866	4,294,307	134,360
2,135,547	54,278,897	1,360,245	41,315,252	1,088,935	65,670,629	1,758,331
149,804	8,193,000	210,904	1,022,657	27,948	3,583,731	100,093
124,640	2,603,501	59,082	2,061,219	46,638	4,677,139	115,194
1,861,103	43,482,396	1,090,259	38,231,376	1,014,349	57,409,759	1,543,044
26%	91.23%		97.30%		93.22%	
126,811	344,849	45,095	387,035	50,728	665,254	79,945
450,076	4,109,565	309,629	4,673,372	279,670	5,494,531	303,727
570,549	1,459,350	475,900	734,991	183,293	1,512,511	367,570
206,234	2,726,135	124,952	1,545,559	100,869	2,969,332	157,189
1,353,670	8,639,899	955,576	7,340,957	614,560	10,641,628	908,431
264,103	3,298,061	288,127	3,898,613	102,982	4,271,896	168,733
213,272	1,160,200	83,521	2,380,586	144,434	2,192,990	117,698
876,295	4,181,638	583,928	1,061,758	367,144	4,176,742	622,000
74%	8.77%		2.70%		6.78%	
-	-	-	-	-	-	-
		-		-		-
2,737,398	47,664,034	1,674,187	39,293,134	1,381,493	61,586,501	2,165,044
50%	3.51%		3.52%		3.52%	

Market Summary

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SOUTHEASTERN FLORIDA

Receipts of producer milk at pool plants regulated under Federal Order No. 13 totaled 60.7 million pounds of milk during October 1981. Compared to the previous month, receipts of producer milk were up 9.7 million pounds and 1.8 million pounds above October 1980.

In the October equalization pool, 57.9 million pounds of milk was classified as Class I. Class I producer milk was up 10.9 million pounds from last month, and was 3.0 million pounds more than October 1980.

Class I milk was 95.35 percent of the total during October compared to 92.11 percent the previous month and 93.15 percent during October of the previous year.

The uniform price to producers under Federal Order No. 13 for October milk was $15.49 per hundredweight. The uniform price was up 5 cents from September and was 64 cents above October 1980.

PRODUCER SUMMARY

Under the three Florida milk orders, 563 producers delivered 178.1 million pounds of milk to pool plants. This compared to 460 producers and 157.1 million pounds during the previous month and 445 producers and 168.1 million pounds during October 1980. Producer milk deliveries in October were up 13.4 percent from September and were 5.9 percent above October of last year.

The average milk delivery per producer was 10,209 pounds per day for all producers delivering to plants under Federal Orders 6, 12 and 13. The average daily delivery per producer was 9,237 pounds under Order No. 6; 10,233 pounds under Order No. 12; and 10,919 pounds under Order No. 13.

Combined receipts of bulk fluid milk products from producers and other sources for the three markets were 188.5 million pounds in October 1981, and 192.0 million pounds in October 1980.

Three Market Statistical Summary

October

MILK RECEIPTS	1981	1980
Producer Receipts	178,119,516	168,141,302
Other Source Milk	38,639,066	47,385,373
TOTAL	216,758,582	215,526,675
CLASSIFICATION OF MILK		
TOTAL MILK		
Class I	190,900,105	189,182,084
Class II	25,819,417	26,344,591
Class III*	39,060	-
PRODUCER MILK		
Class I	170,527,829	155,750,601
Class II	7,588,853	12,390,701
Class III*	2,834	-
PRODUCER MILK IN CLASS I - %	95.74%	92.63%
NUMBER OF PRODUCERS - Total	654	544
Regular**	563	445

Note: * Order 13, only.

** Adjusted to eliminate duplication in the case of producers delivering to more than one Federal Order Market.

Manufactured Dairy Product Prices (cents per pound)

Month	Butter (92-Score Chicago)	Nonfat Dry Milk (Spray Process, Chicago Area)	Cheddar Cheese (Wis. Assembling Points, 40 lb. Blocks)
1980			
Oct.	147.06	91.89	141.18
Nov.	147.60	93.33	140.50
Dec.	147.71	93.63	140.07
1981			
Jan.	147.25	93.73	139.32
Feb.	147.25	93.50	139.25
Mar.	147.25	93.44	138.75
Apr.	147.25	93.48	139.16
May	147.31	93.62	138.82
June	147.50	93.55	139.25
July	147.94	93.62	138.60
Aug.	148.03	93.51	139.26
Sept.	148.54	93.60	139.69
Oct.	150.57	93.69	140.94
1979 Avg.	122.43	79.55	138.75
1980 Avg.	139.34	88.64	132.68

Disposition of Packaged Class I Milk Products Inside the Marketing Area

	OCT. 1981	OCT. 1980	PERCENT CHANGE	
	Pounds	Pounds	Actual	Adjusted*
ORDER 6	57,832,814	56,332,999	+2.7	+1.4
ORDER 12	53,832,859	51,691,280	+4.1	+2.8
ORDER 13	65,841,539	65,357,464	+0.7	-0.7
3 MARKET TOTAL	177,507,212	173,381,743	+2.4	+1.0

NOTE: The data shown herein include products disposed of by producer-handlers, non-pool distributing plants and other order plants as well as pool plants.

The quantities shown are actual pounds. The adjusted percentages eliminate variation in sales due to calendar composition.

Number of Plants and Handlers
October 1981

	ORDER 6	ORDER 12	ORDER 13
Total No. of Handlers	29	14	20
Distributing Plants	7	8	7
Supply Plants	1	1	1
Part. Reg. Dist. Plants	4	0	0
Other Order Plants	12	1	9
Producer-Handlers	1	0	0
Coop. Ass'ns as Handlers	4	4	3

Program News

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should be below year earlier levels through the first-half of 1982. These lower prices, coupled with some small gains in farm milk prices, will leave the milk-feed price ratio above 1981 levels at least through the first-half of the year.

PRICE OUTLOOK

The average price for all milk will be approximately $13.75 for 1981, up about 6 percent from 1980. For all of 1982, farm milk prices may only increase by one or two percent from 1981. First-half prices will be about the same as 1981 reflecting anticipated surplus production. However, if downward production adjustments do occur during the second-half and the general economy improves, prices would likely move above year-earlier levels.

With no increase in the support price last April and continued large supplies, wholesale prices of dairy products have been relatively flat throughout 1981. In September 1981 the index of wholesale prices (published by the Bureau of Labor Statistics) was up only one-half percent from January 1981. Wholesale prices will probably remain stable through the first-half of 1982, and then increase later in the year.

COMMERCIAL USE

Commercial use of all milk and dairy products during the first eight months of 1981 was up 0.2 percent from year earlier levels. Through August, increased sales of cheese more than offset lower commercial use of butter and ice cream.

Increased sales of dairy products may result from the current oversupply situation as relatively stable farm and wholesale prices occur, and consumers face only small increases in retail prices. Commercial use in 1982 may rise about two percent from 1981.

CCC PURCHASES

Purchases under the price support program during the first nine months of 1981 (on a milk equivalent basis) totaled 11.2 billion pounds, compared with 7.4 billion pounds during the same period of 1980. This volume represented about 11 percent of estimated farm marketings of milk.

The purchase picture has not changed much in the last part of the year. Purchases are still large as production continues to exceed commercial demand. Purchases will remain heavy well into 1982, although they should slow down some later in the year as production adjustments occur.

Minimum Order Prices (Per Cwt. for 3.5 Milk)

Month and Year	Basic Formula Price a/	Basic Formula Price b/	Upper Fla.* (Order No. 6) Class I	Upper Fla.* (Order No. 6) Uniform	Tampa Bay (Order No. 12) Class I	Tampa Bay (Order No. 12) Uniform	S.E. Fla. (Order No. 13) Class I	S.E. Fla. (Order No. 13) Uniform
1980								
Oct.	$12.42	$11.86	$14.71	$14.57	$14.81	$14.63	$15.01	$14.85
Nov.	12.52	12.07	14.92	14.72	15.02	14.80	15.22	15.04
Dec.	12.61	12.42	15.27	15.10	15.37	15.28	15.57	15.45
1981								
Jan.	12.64	12.52	15.37	15.20	15.47	15.27	15.67	15.50
Feb.	12.66	12.61	15.46	15.18	15.56	15.35	15.76	15.59
Mar.	12.67	12.64	15.49	15.10	15.59	15.30	15.79	15.52
Apr.	12.64	12.66	15.51	15.00	15.61	15.26	15.81	15.49
May	12.61	12.67	15.52	15.09	15.62	15.22	15.82	15.48
June	12.59	12.64	15.49	15.25	15.59	15.38	15.79	15.59
July	12.53	12.61	15.46	15.26	15.56	15.37	15.76	15.52
Aug.	12.47	12.59	15.44	15.22	15.54	15.27	15.74	15.55
Sept.	12.46	12.53	15.38	15.19	15.48	15.25	15.68	15.44
Oct.	12.52	12.47	15.32	15.27	15.42	15.30	15.62	15.49
1979 Avg.	10.91	10.77	13.62	13.46	13.72	13.49	13.92	13.75
1980 Avg.	11.88	11.67	14.52	14.29	14.62	14.40	14.82	14.65

a/ As reported for the month.
b/ Used in the computation of Class I prices for the month.
* 10 cents higher at plants located in or south of Flagler, Levy, Marion or Volusia Counties.

Number of Producers and Average Daily Delivery per Producer

Month and Year	Upper Florida No. of Producers 1/	Upper Florida Avg. Daily Delivery (pounds)	Tampa Bay No. of Producers 1/	Tampa Bay Avg. Daily Delivery (pounds)	Southeastern Fla. No. of Producers 1/	Southeastern Fla. Avg. Daily Delivery (pounds)
Oct. '80	236	8,861	140	10,423	69	27,937
Nov.	210	9,816	156	9,828	69	29,500
Dec.	207	9,644	159	11,499	69	32,112
Jan. '81	142	9,859	223	11,642	70	32,142
Feb.	137	10,337	229	12,441	66	34,979
Mar.	138	10,812	225	13,056	66	35,647
Apr.	138	10,688	227	12,713	65	35,714
May	144	9,655	229	12,059	65	34,005
June	207	8,970	168	10,531	63	30,698
July	152	8,332	233	9,593	61	30,564
Aug.	155	8,216	236	9,279	60	29,545
Sept.	159	8,272	241	9,445	60	28,616
Oct.	149	9,237	236	10,233	178	10,919

1/ Adjusted to exclude producers who delivered less milk to plants pooled under this Order than to plants pooled under another Federal Order.

UNIVERSITY OF FLORIDA
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